



Financial citizenship and nation-building in Malaysia: elites' and citizens' perspectives

DOI:

[10.1093/jeg/lbz006](https://doi.org/10.1093/jeg/lbz006)

Document Version

Accepted author manuscript

[Link to publication record in Manchester Research Explorer](#)

Citation for published version (APA):

Abdul Rahman, S., Erturk, I., & Froud, J. (2019). Financial citizenship and nation-building in Malaysia: elites' and citizens' perspectives. *Journal of Economic Geography*, 20(1), 225–248. <https://doi.org/10.1093/jeg/lbz006>

Published in:

Journal of Economic Geography

Citing this paper

Please note that where the full-text provided on Manchester Research Explorer is the Author Accepted Manuscript or Proof version this may differ from the final Published version. If citing, it is advised that you check and use the publisher's definitive version.

General rights

Copyright and moral rights for the publications made accessible in the Research Explorer are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

Takedown policy

If you believe that this document breaches copyright please refer to the University of Manchester's Takedown Procedures [<http://man.ac.uk/04Y6Bo>] or contact uml.scholarlycommunications@manchester.ac.uk providing relevant details, so we can investigate your claim.



Financial citizenship and nation-building in Malaysia: elites' and citizens' perspectives

Syahirah Abdul Rahman, Ismail Erturk and Julie Froud

This article presents a postcolonial analysis of financial citizenship (FC) programmes in Malaysia. Drawing on secondary data and on interviews with elites and citizen investors, the paper explores the spatial and historically specific nature of financialisation in a postcolonial context. Specifically, the paper draws out the significance of FC as part of broader nation building objectives in Malaysia from an elite perspective, while also observing the reluctance of citizen investors who are engaging with the equity market to support the formal objectives of the policy. In doing so, it provides an example of the financialisation of everyday life in a distinctive and complex emerging economy context. Moreover, the paper explores these processes from both elite and citizen perspectives, allowing these layered relations within FC to be analysed. The article, therefore, contributes to the financialisation literature by bringing new understandings of elite–citizen relations in postcolonial nation-building strategies.

1. Introduction

Malaysia is a fascinating case for studying financialisation of everyday life (Lai, 2018; Langley, 2008a; Martin, 2002); national political and financial elites have a long history of promoting stock market activities to citizens as a solution for postcolonial socioeconomic challenges including nation building, and enhanced personal financial security. This process

can be traced as far back as the 1970s, when the postcolonial New Economic Policy was introduced to address century-long inter-ethnic economic disparity, by using the stock market to selectively redistribute wealth from colonial power to (some) Malaysian citizens (Abdul Khalid, 2015). In the decades that followed, such efforts have become more pronounced, with policy goals aimed at transforming citizens into strong, reliable, self-acting and financialised actors (Hall, 2012; Langley, 2008a; Martin, 2002; Rudnykyj, 2017), explicitly to assist in politically-inflected nation building objectives. This process, the development of a specific Malaysian financial citizenship (FC), is the focus of this article.

FC refers to the efforts of elite actors including governments to render the financial system more inclusive to ordinary citizens (Leyshon and Thrift, 1995) and, as such, is a useful window through which to observe elite-citizen relations in financialisation, which is the objective of this paper. To address this objective, we empirically analyse elite-citizen relationships in Malaysian FC development to understand how elements of the financial system have been used for complex postcolonial nation building efforts for political legitimacy, and its process, results in the normalisation of financial activities in citizens' everyday life. We contribute to the financialisation literature by conceptualising financial citizens as actors who play a role in elites' nation building strategies, rather than the subject of neoliberal policies encouraging citizens to leave their personal security to market devices (Lai, 2018; Martin, 2002). In doing so, we aim to provide a renewed focus on elite-citizen relations in financialisation within the broader context of economic geography, by highlighting the political aspirations of financialisation and the behaviours of elites and citizens that helps to make finance to become more important in everyday life. Although Robert Aitken (2007) has provided a similar discussion about the usage of financial market investment for nation building in the US, our paper is different in the way that it observes

elites' postcolonial nation building strategies which deals with the complex consequences of colonial legacies, including interethnic tension and wealth inequality.

Specifically, this article has two key aims: first, the analysis of the Malaysian case is a response to a certain geographical lacuna in financialisation studies (Christophers, 2012; French, Leyshon and Wainwright, 2011). Although critical work on financialisation has recently expanded (Appleyard, Rowlingson and Gardner, 2016; Coppock, 2013; Hall, 2012; Lai, 2013; Pike and Pollard, 2010; Wainwright and Kibler, 2014), the field remains largely geographically anaemic (Christophers, 2012) due to the focus on Euro-American contexts. The focus on Malaysia provides not only a new geographical case study, but also highlights the importance of history that pre-dates financialisation as commonly understood in Euro-America. Doing this leads us to our second aim, which is to respond to the call for more postcolonial approaches in finance studies, especially in the economic geography literature (Pollard et al., 2009). We draw on the definition of a postcolonial approach as a method to conduct research that provides alternative understandings that “transcend Western ways of knowing, writing and seeing the world,” (Pollard and Samers, 2007, 324). Existing studies provide a good starting point in providing alternative perspectives for understanding how finance becomes more important in everyday life (Harker, 2017; Harker, Sayyad and Shebeitan, 2018; James, 2014; Pollard and Samers, 2007). We also draw on feminist literatures that encourage observations of a wider variety of sites and procedures which produce economic practices in distinct and less partial ways (Bergeron, 2001; Elias and Roberts, 2016; Pimlott-Wilson and Hall, 2017; Pollard, 2013), for example, by observing citizens' contribution to financialisation as a response to formalised political aspirations on top of their own personal goals.

The postcolonial approach that we take highlights that there is a history of financialisation which precedes the commonly known story of the phenomenon, for example,

the rise of financial capitalism in Anglo-American from 1970s onwards (Krippner, 2005; Boyer, 2000). Instead, we focus on the way finance grows to become more important in everyday life as driven by politically-backed nation building strategies. Focusing on elite-citizen relations within our postcolonial approach allows us to observe legacies of colonial histories. Specific to Malaysia is the unequal distribution of power along ethnic lines which has resulted in interethnic wealth and income inequalities. This socioeconomic foundation leads to complex elite-citizen relations in FC and financialisation, with elites attempting to resolve the socioeconomic issues as a key strategy for nation building, and in doing so, to gain political legitimacy. Taking on this postcolonial approach provides the timeframe for the analysis in the paper: our viewing of financialisation is centred on the development of FC policies relating to equity markets from the postcolonial period (1950s onwards) in Malaysia. This considerably pre-dates the establishment of Islamic finance in Malaysia (Yakcop, 2002) and hence in this paper the primary focus is not Islamic finance or Islamic banking, though we recognise that this is an important element of the current financial landscape (Elder, 2017; Lai and Samers, 2017; Müller, 2017; Rethel, 2016). However, the focus on equity market products to explore FC policies recognises a connection to Malaysian nation building narratives and includes but is not limited to Islamic finance products. In addition, the observation of citizens' roles in FC development, expressed through their current financial practices, may include Islamic finance but the study is not designed to be limited to such products/activities.

The findings in this paper are developed from data collected through in-depth, semi-structured interviews with political and/or financial elites and with a group of citizens who are identified as being financialised through voluntary active engagement with stock market products. A complementary analysis of secondary data covering economic and social policy development in Malaysia is used to provide context and support the arguments. The choice to

focus on the stock market rests on the importance of this institution in Malaysia's postcolonial development, especially in understanding elites' aspiration in sustaining and strengthening their political legitimacy using the strategy of redistributing wealth among citizens. Through this background, we are able to observe Malaysia's history of cultural tensions and income inequality as legacies of Malaysia's colonial past. It is also through the stock market that we can observe citizens' practices that influence the elites' aspirations in a way that assists a specific form of FC development.

The article is organised as follows: first, we conceptualise postcolonial FC, drawing upon literature on elites and individuals in financialisation studies and identifying connections between financialisation and the concept of FC. We also explain how FC will be viewed from a postcolonial angle by drawing on the histories of Malaysian colonisation and its nation building efforts. Second, the development of Malaysian FC from an elites' perspective is presented, followed in the third section by an analysis of the citizen investors' views and actions. From this follows the argument that elites and citizen investors both play distinctive contingent roles in FC.

2. Conceptualising Postcolonial Financial Citizenship

2.1 Elites, Citizens, and Social Control

Early works in critical finance were mainly focused on economies and systems, rather than individuals. In particular, the topic of financialisation had emerged as a popular academic field that analyses the growth and spread of finance in contemporary capitalism and the society. Earlier literature on financialisation focused on shifts in a capitalism increasingly characterized by finance-led growth rather than production-led growth (Aglietta, 1998; Arrighi, 1994; Boyer, 2000). Subsequent development has seen financialisation taken up in multiple areas such as anthropology (Ho, 2009; Parkinson, 2014), geography (Coppock,

2013; Pike and Pollard, 2010), sociology (Davis and Kim, 2015; Krippner, 2005), and political sciences (for example, a collection of articles in Epstein, 2005). Correspondingly, its focal subject has broadened from macro-economic patterns of capitalism, concerned with the accumulation of financial capital (Duménil and Lévy, 2005; Krippner, 2005) to giant corporations, focusing on modern corporations' strategy to prioritise financial performances above all else (Aglietta, 2000; Froud et al., 2006; Lazonick and O'Sullivan, 2000), and to everyday life, observing the intrusion of finance within intimate spaces of individuals/households/citizens' lives (Lai, 2017; Langley, 2008a; Martin, 2002; Wainwright and Kibler, 2014).

We engage with this last set of literature on everyday life, which allows us to focus on saving and financial planning behaviours, and to critically analyse the way policy actions encourage individuals to seek what Lai (2018, 612) describes as “market solutions for personal life goals and future security”. The result of these formal efforts is a transformation in everyday life, one that is increasingly analogous to the technical operations of financial markets (Mandel, 1996), encouraged by policy promises that individuals can gain some sense of self-mastery, security and meaning through the financial management of their lives (Ertürk et al., 2007; Froud, Johal and Williams, 2002; Martin, 2002). Such policy promises accompany initiatives set in play by various groups of elites who could be identified as FC advocates; such actors promote the broadening and deepening of access to financial markets and skills for moderate-income citizens so that they become more responsible for their current, and more importantly future, welfare (Kear, 2013; Lai and Tan, 2015).

The introduction of the concept of FC towards the end of Leyshon and Thrift's (1995) article recognised a language intended to put pressure on financial systems to begin thinking about their exclusionary tendencies. Financial markets could be thought of having state-like boundaries, assigning them with responsibilities “which reach beyond consumer sovereignty

into basic human rights” (336). For Leyshon and Thrift, as well as the authors who extended the literature on FC such as Dymksi and Li (Dymksi, 2005; Dymksi & Li, 2003), FC is seen as representative of a dichotomous relationship of actors who are included versus actors who are excluded from the financial system. The concept of FC is useful as it explores efforts to expand financial inclusion by responsabilising states over their citizens’ ability to access the financial system effectively. Our paper attempt to extend the concept of FC as discussed by the authors above. We aim to do so by providing a critical analysis on specific nuances that characterise FC development, making the efficacy of its implementation more complex than previously understood, more specifically, elite-citizen relations.

We first look at Kear’s criticism on the idealised view of FC development as ignoring the deeper political aspects of the financial system (Kear, 2013). For Kear, the popularity of FC amongst policy elites promises inclusivity while ignoring the deeply unequal system that makes up the spaces in which FC forms, given that the survival of finance itself is dependent on capitalistic tendencies, which ultimately exclude certain types of actors over others. We find this argument useful as it helps us in questioning whether the exclusion of certain types of actors over others are inherently driven by elites in a universal manner, or if, there are alternative ways of understanding FC. We believe that an analysis of elite-citizen relations provides a way to explore these nuances, allowing us to examine the socio-political history that shapes these relations in a way that influences FC development.

Earlier FC studies observe elite-citizen relations more normatively (Dymksi and Li, 2003; Leyshon and Thrift, 1995), closer to the Millsian theorisation of elites that conceptualise these group of actors as possessing economic and political power and authority that construct and influence social life (Mills, 1956). Similarly, these elites are understood to be influential in the way the financial system is organised and developed; they are thus responsabilised for FC development, with the aim that the financial system becomes more

inclusive and more deeply embedded in society. Recent work on FC has challenged this view of elite-citizen dynamics. Lai and Tan (2015)'s study showed that elite-citizen relationships in FC could be geographically-contextual and political, as in the case of Singapore in which the government had expanded financial inclusion for citizens for the advancement of the country's economy. Lai and Tan's work is more Foucauldian-inspired, observing power as omnipresent, ambiguous, complex, transversal, and multifaceted (Foucault, 1982, 1988, 2012; Langley, 2008a; Martin, 2002); and thus adding agency to non-elite actors in influencing the processes of FC.

We consider elite-citizen relations as an active (re)production of interactions. These interactions are complex, driven by specific localities and the nuances that come with them such as historical trajectories, cultural conventions, actors, events, and socioeconomic factors (Swyngedouw, 2004; Wolch and Dear, 2014). To provide a specific contextualisation of elite-citizen relations in Malaysia, we discuss the colonial histories of the country and how these impact on FC development before discussing methodology and empirical findings.

2.2 Postcolonial Elites and Citizens

In their contribution to a special issue of *Theory, Culture & Society*, Aeron Davis and Karel Williams (2017) argued that the difficulty in conceptualising elites when discussing financialisation has much to do with the way financial hegemony has reshaped the spaces in which elite power is mobilised and reproduced. Through this lens, elite power is no longer simply about the privilege of wealth or class or the distribution of political power that has been inherited from such spaces (Mills, 1956). Instead, it is perhaps more suitable today to conceptualise elites by their "modus operandi," that is, "how they operate, rather than where they come from, the capital they have amassed, or the official position they occupy at a given time," (Wedel, 2017).

Similar arguments to those of Wedel can be found amongst critical finance studies with a more cultural stance, who have drawn on a Foucauldian approach in understanding elites and power (Hall, 2012; Langley, 2008b; Martin, 2009; Rudnykyj, 2017). In these studies, power has no longer been reduced to its attachment to privilege, wealth, or class; instead, it is omnipresent and multifaceted, produced and reproduced through agency that exists in the most intimate spaces, including everyday life. Taking a different emphasis, our conceptualisation of the elites-citizen relationship is expressed through observing what elites and citizens *do* that results in the normalisation of finance in everyday life. Our observation specifically is focused on elite-citizen relations in postcolonial nation building which affects the way FC is operationalised and (re)distributed by elites to citizens and vice versa. Besides providing localised narratives of elite-citizens in FC (Lai and Tan, 2015), our paper argues that the agency in elite-citizen relations are multidimensional and can be understood by observing the behaviours of *both* elites and citizens that are influential to FC. Although FC is operationalised through formal policymaking, the policies targeted at citizens rarely take into account citizens' active agency. Our contribution in this aspect is to support the notion that citizens possess agency in FC development and financialisation, although this agency is complex and are conditional to the way citizens want to relate to elites and their political aspirations.

Before beginning our empirical analysis, we draw attention to the colonial histories of Malaysia, specifically during the period of the British Malaya colony. British Malaya refers to the period of British hegemonic control over Malaya, the nine Malay monarchies (ruling the geographies now known as peninsular Malaysia and Singapore) from late 18th until early 20th centuries. The most prominent legacy of the British colony over Malay[si]a is the segregation of ethnic groups based on economic functions, resulting in a pluralistic society comprising “two or more element or social orders which live side by side, yet without

mingling, in one political unit,” (Furnivall, 1939, 446). As argued by Furnivall, pluralism is often a result of colonialism: colonised governments are placed in subservient positions when constructing their newly-enfranchised countries, having had to accept legacy societal problems. The complication of this history is that popular nation building theories derived from Western scholars have been initially pessimistic on the prospects for the construction of a democratic society emerging from deeply plural histories. This pessimism originates from before the First World War; ethnic and racial horrors subsequently experienced in and around World War II cemented the negative perception that scholars have of deeply plural societies (Hefner, 2001).

More recent development of Western theories of nation building has promoted more liberal views which call for the protection of individual citizens’ rights (Kymlicka and Norman, 1994)¹; to the modernisation theory that encourages a homogenous political culture (ibid.); and finally, to a more secular and singular political authority in replacement of traditional, religious, familial, and/or ethnic-based polity (Huntington, 1968). The limitation of these discussions is the persistent rarity of arguments about newly independent countries that are often forced and coerced to accept arrangements unfamiliar to their historical precedence, such as the case of postcolonial countries like Malay[sia].

Postcolonial countries’ nation building histories are often characterised by newly-elected national governments, whose actors are selected based on their conformity to existing institutional (political, economic, financial) colonial arrangements (Hefner, 2001). More importantly, this conformity often occurs through coercion and/or pressure for the expedience of an independence agreement for their respective countries with colonist authorities (Jamil, Aminuzzaman and Haque, 2015). Post-independence, newly-elected governments would

¹ This is not to be confused with the rise of identity politics, which comes at a much later period (Crenshaw, 1991).

sometimes change and shape the institutional pillars of their countries to make sure that they are national and local, fine-tuning them to reflect domestic and contemporary needs, although the colonial foundations could remain the same.

The absence of critical analyses of colonialism history in the literature on financialisation results in an omission of the inorganic development of national customs and laws in colonised countries, and how these histories shape the way we understand the formation of financial markets either in these countries or globally (Christophers, 2012, 2015, 2016; French, Leyshon and Wainwright, 2011; Pollard et al., 2009). Our observation of FC in Malaysia through a postcolonial reading helps us in politicising finance and elite-citizen relations in the broader context of financialisation by focusing on elites' efforts to use FC as part of nation building. Additionally, to demonstrate that elite-citizen relations in FC are multidimensional, we seek to provide lived experiences of citizens in FC, arguing that citizens' behaviours are strategic and impactful to other ways of engaging with FC and therefore in a broader sense, the way we understand financialisation.

2.3 Methodology

The empirical analysis in this article is based on field research conducted in the state of Selangor (including the federal territories of Kuala Lumpur and Putrajaya), Malaysia between August 2015 and December 2016. Selangor and its federal territories were chosen as a site for observation as the average monthly household income figures in these locations (RM10900 or £2090 in 2016) are at least 1.3 times higher than the following richest state (Labuan at RM8174 or £1570 in 2016) and 2.6 times higher than the poorest state (Kelantan at RM4214 or £810 in 2016) (DoSM, 2017). Publicly available data on household disposable income does not provide the same granularity as data on household income. As such, we have made an assumption that due to the higher household income in Selangor and its federal territories,

Malaysian citizens there are more likely to have disposable income needed to invest in the stock market compared to other locations in Malaysia, thus justifying our observation in these areas.

The study uses a combination of document analysis, elite interviewing with twelve high-ranking officials of various institutions (Table 1), and 30 semi-structured interviews with Malaysian citizens who are currently investing in the stock market (hereinafter “citizen investors”). The elites have been segregated as political, financial, and non-financial/political on our observation of how these elites work in different ways in the way they approach FC development. Both political and financial elites work towards FC policymaking although their aspirations behind it might be different. For example, the ones working for financial market institutions might observe FC development in a completely different manner than the bureaucrats working in the Ministry of Finance or regulating bodies. Similarly, elites who are not affiliated to FC policymaking have completely different aims and understanding of FC development. Our interviewees tried to capture these differences based on the types of questions we ask.

Documents analysed include formal national policies, official government and Malaysian private financial institutions’ statements and reports, as well as reports by global institutions such as the International Monetary Fund (IMF) and World Bank.

[Insert Table 1 about here]

For the first stage of interviews, elites, many of whom were recruited when the researcher conducted an internship at the Ministry of Finance during the summer of 2015, were asked to discuss the motivations, issues, and outcomes of FC development. Information from this stage of findings were used to design the interviews with citizen investors.

Snowballing took effect in the recruitment of both elite and citizen investors' interviewees. The interviews were conducted in a mix of Malay and English and each lasted between 45-90 minutes. All the interviews were taped, transcribed, and translated (when needed). Although many elite interviewees had given permission to be quoted, we have decided to anonymise their identities to protect the identities of those other interviewees who wish to remain anonymous. All citizen investors' identities have been anonymised as requested. The quotes used in the analysis are taken verbatim, whether from elite or citizen investor interviewees.

3. Postcolonial Financial Citizenship in Malaysia: The Story of Elites

The stock market is an ideal site to study financialisation and FC development in Malaysia from a postcolonial perspective as its histories are deeply-rooted in the legacies of British colonisation of Malay[si]a. The formation of the Malay[si]an stock market had a specific colonial objective: to obtain rent from locally-extracted rubber and tin commodities which were then floated in the stock market with the purpose of transferring interests into the colony (Wong, 1988). The stock market was especially exclusive as it only allowed the floatation of British companies and had been useful for the British colony during the rubber boom of 1910 and the subsequent increase of global dependence on tin mining (ibid.; Alatas, 2010). Both events resulted in the floatation of more (and mostly) British companies in the stock market. As such, the capital flows into and out of the stock market were integral to the maintenance of the British colony rather than Malay[si]a as a singular country, assisting them in holding dominance in commercial and financial areas (White, 2003).

The Malayan independence in 1957 and the formation of the Federation of Malaysia in 1963 had not shaken the dominant influence of the British over the Malay[si]an stock market (White, 2003). The newly-enfranchised government attempted to develop the stock market to spur credit financing for local pioneer companies (Jomo, 2003), although the

British influence over the Malay[si]an economy was still strong (White, 2003). For example, six years after Malaya's independence, the British held 75% of assets in Malay[si]an territories (ibid., 223) and by 1969, British (corporate) control was still evident with ownership of 62% of the share capital (by value) of limited companies in Malaysia (MEPU, 1970, 40). The wealth inequalities along ethnic and colonial lines which had persisted for more than a decade after the country's formation ignited a race riot in 1969. It was then that the first instance of a significant policy transformation was made to address the country's socioeconomic disparities.

The 1969 race riot can be traced to Malay[si]a's extremely unequal society. The plural nature of Mala[si]an society created through British colonialism meant that the country's three main ethnic groups, the *Bumiputeras*, the Chinese, and the Indians,² were (loosely) separated as self-sufficient farmers, business owners, and estate producers respectively (Alatas, 2010). Such inter-ethnic division caused strong economic imbalances that were ignored by Malaysian political elites long after the country's independence, resulting in significant inter-ethnic income, employment, and equity ownership disparity (Abdul Khalid, 2015). The 1969 racial riot forced Malaysian political elites to consider these issues more seriously, in large parts for their political legitimacy, leading to the New Economic Policy in 1970, aimed specifically at mobilising wealth to correct inter-ethnic economic disparity and poverty reduction as part of Malaysia's nation building strategy (MEPU, 1970).

² The *Bumiputeras*, also known as *sons of the soil* are made up of the indigenous people known as *orang asli* and the Malays (Milner, 2010). The *Bumiputeras* made up the majority (nearly 70%) of the population during the British occupation. As for the second largest population in Malaya, the Chinese have been brought in by the British or have voluntarily immigrated for trading purposes from the Qing Dynasty, now known as the Republic of China. The third largest ethnic group is Indians, although this is a misguided ethnic/racial identification, as the migration of people from the Indian subcontinent to Malaya meant that a variety of ethnic groups from that region had initially come to Malaysia. The Malaysian Indian ethnic group was a legacy of the British colony who referred to any group of immigrants from the Indian subcontinent as "Indian" (Alatas, 2010).

The Policy first introduced financialisation through FC as a project of and for citizens, but this was a process unlike those in Anglo-American countries which were driven by the transfer of financial responsibility from political elites and systems to citizens (Froud, Johal and Williams, 2002; Krippner, 2005, 2011; Langley, 2007). Instead, the Malaysian experience was a result of political elites of the then ruling party taking greater responsibility for citizens' finances, in their effort to secure their political positions that had been challenged by the 1969 racial riots, create social cohesion and simultaneously build their nation, post-colonisation and post-independence. This first instance of financialising citizens occurred through the strategy of addressing inter-ethnic income disparity by mobilising the country's wealth, which had previously been held mainly by colonial power through the equity ownership of important state institutions, as well as the Chinese ethnic group through their ownership of Malayan businesses, land, and plantations (Abdul Khalid, 2015; Alatas, 2010). As part of this, the role of the stock market was redrawn politically so as to allow the creation of a new (parallel) source of wealth accessible to Malaysian citizens, especially to the *Bumiputeras* and its main Malay sub-group. For Malaysia's context this had been unsurprising given that within the Bumiputera ethnic group was the Malay sub-group, who composed the majority ethnic group and therefore the political voting influence of the country (Alatas, 2010; Jomo, 1997). Furthermore, targeting the Malay group was also important as the majority ethnic group had been the one at the bottom of the income line:

“In terms of *per capita* income, the Malays received \$34 per month or one-half that of the Chinese at \$68, while the Indians obtained \$57 or some 70% more than the Malays. Of all poor households, about 74% were Malay, 17% Chinese and 8% Indian. [...] Of all Malay households, 65% were in poverty compared to 26% for Chinese households. In the

case of Indian and other households, 39% and 45% had incomes below the poverty line.” (MEPU, 1975, 5)

The Policy also introduced the concept of *ownership-in-trust* schemes in 1981, in which financial elites were entrusted by political elites to manage the mobilisation of wealth by offering sovereign investment schemes to citizens (Gomez and Jomo, 1997). More importantly in Malaysia’s case is the manner in which FC and its processes were implemented in a non-democratic manner, unlike what had been proposed in FC rhetoric. Rather, access to equity ownership among the mass public was exclusively given to the Bumiputeras, and as such problematised the equal inclusion rhetoric of FC development. These initial efforts to expand access to financial markets in line with the rhetoric of FC, created the first instance of mass investment in the stock market involving citizens, evident by the 170,000 *Bumiputeras* exercising the offer in its opening week (Bidin, 2009; Permodalan Nasional Berhad, 2015).³

This initiative can be seen as part of a broader set of changes following the appointment of Mahathir Mohamad as Prime Minister (PM) in 1981 (hereinafter Dr. Mahathir. The rest of the article refers to personal names rather than patronym names, as it is a common Malaysian custom, even in formal context.), which greatly changed the distribution of elite power, making it more fragmented. Dr. Mahathir’s main objective was to move Malaysia away from its colonised past by developing economic growth comparable to that of Western, developed countries (Mohamad, 1991). The strategy chosen was to kindle political-business relationships, thus making the country’s governance increasingly neopatrimonial (Jesudason, 1989). We adopt Erdmann and Engel’s (2007) political science definition of neopatrimonialism as a hybrid institutional arrangement, in which the exercise

³ Although only *Bumiputeras* were originally allowed to participate in such “ownership-in-trust” schemes led by the government, the programme was eventually opened to other Malaysian citizens (Abdul Khalid, 2015).

of political power is erratic and unpredictable. Neopatrimonialism sees the combination of authoritarian politics with personal and informal public norms, for example in the spaces of policymaking. In Malaysia's case however, just as the case of many of its neighbouring countries, authoritarian politics are masked under the ideology of democracy, where democratic procedures such as national election are modified in order to increase the hegemony of a dominant, single-party government that assimilate with or marginalizes the opposition (Chua, 2010). Malaysia's neopatrimonialism had been evident in the appointment of business elites in political realms, such as Daim Zainuddin, a prominent financial mogul who acted as the finance minister from 1984 to 1991 (Wain, 2012). Under Daim's and Dr. Mahathir's direction, business elites assisted political and financial elites on nation building, with the latter group providing patronage to the former in a series of economic liberalism strategies that were drawn in the 1980s and implemented in the early 1990s (Jomo and Tan 2003; MEPU 1989; Mohamad 1992, 1991).

The impact of these actions on FC development was significant. With liberalism, access to financial markets was widened to assist the country in achieving economic growth aligned with nation building strategies (Jomo, 2003; Sulong, 2014), the result of which included a twofold increase in domestic retail participation (citizens' individual holdings) in the Kuala Lumpur Stock Exchange, from 24% in 1988 to 50% in 1993 (Jomo 2003, 123; Wong 1988, 88-89). However, the 1997 Asian Financial Crisis, which wiped nearly all retail shareholders from the stock market (Kaplan and Rodrik, 2002), halted the progress of FC development. Furthermore, the introduction of capital controls (a direct contradiction of the IMF's prescriptions) by Malaysian political elites after the crisis had largely impeded the country's economic progress. This choice represented a complete reversal of the (neo)liberal stance taken in the early 1990s (Khoo, 2005), causing economic and political havoc that received worldwide criticism.

Such events did not deter Malaysian political and financial elites from revisiting the development of FC. After the Asian Financial Crisis, this program was resurrected in line with the multiple objective of nation building and transforming citizens into individualistic, self-acting individuals (former finance minister, #13, 5 April 2016). As part of this, certain financial institutions have played important roles: Bursa Malaysia, the demutualised corporate entity of the Kuala Lumpur Stock Exchange;⁴ the Securities Commission, in charge of regulating *and* developing the Malaysian capital market; and Bank Negara (the central bank), the first institution to conduct extensive research on the implementation and dissemination of financial literacy education (FLE) among citizens. Their efforts are analysed and discussed in the next sub-section.

3.1 Post-Asian Financial Crisis Initiatives of Financial Citizenship

The development of FC after the Asian Financial Crisis was different from earlier citizenship efforts. Since the Crisis, financial elites have been assigned greater responsibility by political elites, especially Dr. Mahathir, to carry out reforms in the financial system. The two main official documents accompanying this move were the *Financial Sector Masterplan* and the *Capital Market Masterplan*, engineered by Bank Negara and the Securities Commission respectively (BNM, 2001; SCM, 2001).

These documents presented a series of reform and development strategies for the financial system, which collectively demonstrated strengthened efforts to encourage the Malaysian economy and induce citizens to take greater control of their future using financial products such as stock market investment. However, this shift meant that citizens require a

⁴ To encourage the stock exchange to become more vigorous in playing their role in contributing to the government's nation building aspirations, it was demutualised, turning it from a non-profit to a corporate entity (Bursa Malaysia, 2004).

higher-level financial literacy to make more complex consumption choices, prompting the dissemination of what we term *sophisticated* FLE initiatives, that is, education that prepares citizens to be financially skilful beyond the basic concepts of saving and borrowing into the more entrepreneurial realm of investment, including those involving stock market participation.

Malaysia's first, basic FLE initiative had begun as early as 1993, during a period when Malaysia was influenced by economic liberalism while actively pursuing its nation building objectives. Bank Negara became the first active institution to promote FLE by incorporating it in schools' curriculum in collaboration with the Ministry of Education (Koid, 2010). Again, Malaysia was rather advanced in this effort because in many developing countries the growth of FLE policymaking started nearly a decade later, with transnational policy institutions such as the IMF, World Bank, and the Organisation for Economic Co-Operation and Development (OECD) advocating its usefulness for the stability of domestic and global financial markets by transforming citizens into more informed financial consumers (Arthur, 2012; Dev, 2006; Greenspan, 2002; Williams, 2007).

While much of these basic FLE initiatives still exist today, post-2009 saw the development of an increasingly sophisticated FLE, promoted by financial elites (official at Regulator M, #2, 5 August 2015). These sophisticated FLE efforts include Bursa Malaysia's stock market literacy programmes, aimed at developing "fundamentally-informed" investors, using technologies such as an educational website called BURSA MKT.PLC, investment workshops and competitions, university lectures and so on (officials at Market M, #3 and #4, 28 August 2015). Bursa Malaysia also received public support from incumbent PM Najib Razak, who, through his official Twitter account, congratulated the institution for one of their efforts while using the official slogan of the initiative. Similarly, the Securities Commission has its own sophisticated FLE initiative called the "Investment Empowerment Initiative,"

which aimed at cultivating citizens who are not only fundamentally-informed investors, but also individuals who are responsible for their financial futures (official at Regulator M, #2, 5 August 2015). This argument demonstrates the complexities in understanding elites involved in Malaysian FC development, given that the Securities Commission (the regulator) and Bursa Malaysia (the regulated) promote FC development in a similar manner, despite their different official roles. To further understand these nuances, elite interviewees were questioned about their motivations for sophisticated FLE. Many stated that they believed that providing citizens with the right financial skills could assist in transforming them into financially empowered, autonomous, independent, and responsible individuals. Political elites appeared to be motivated by a nation building agenda, in which (neo)liberal, financial citizens were envisioned to be empowered to take control of their personal financial goals, the behaviour of which could contribute to the growth of the country's economy and political stability by minimising potential financial instabilities (officials at Regulator M, #1 and #2, 5 August 2015; official at Ministry of Finance, #8, 23 December 2015; official at Bank Negara Malaysia, #9, 23 March 2016). On the other hand, financial elites appeared to be motivated by the vision of transforming citizens into financial entrepreneurs, that they should be able to adopt complex investment strategies such as portfolio management and diversification, and contribute to the deepening of financial markets (officials at Market M, #3 and #4, 28 August 2015; official at Investment Bank H, #11, 31 March 2016; official at International Bank I, #12, 31 March 2016).

Some interviewees were, however, critical of the objectives of FC development, regardless of their political or financial positions. For example, two elite interviewees noted that encouraging citizens into complex financial arenas is risky, as citizens do not possess the same necessary skills or investment capital as financial professionals (official at Bank Negara Malaysia, #9, 23 March 2016; official at Wealth Management Firm C, #10, 28 March 2016).

This suggests some recognition that their FC expectations are problematic in terms of both delivery and effects.

The ambition to resolve multiple goals is problematized by the absence of evidence to support correlation between citizens' participation in the stock market and economic development. This is especially true when the nation building objectives to transform Malaysia into a developed country have changed several times over the past three decades and contemporary policies remain confusing. On the one hand, Malaysia's nation building objectives are promoted to citizens with the justification of societal advancement; the development of the country had always been promised as a political agenda to make citizens' lives much better. This could be exemplified by original quotes from Vision 2020, a nation building strategy led by Dr. Mahathir in 1991 with the aim of transforming Malaysia into a developed country by 2020:

“Malaysia should not be developed only in the economic sense. It must be a nation that is fully developed along all the dimensions: economically, politically, socially, spiritually, psychologically and culturally. We must be fully developed in terms of national unity and social cohesion, in terms of our economy, in terms of social justice, political stability, system of government, quality of life, social and spiritual values, nation pride and confidence.” (Mohamad, 1991)

However, much of the strategy focusing on nation building is economic, with ambitious objectives based on economic indicators. For example, Dr. Mahathir's *Vision 2020* indicated a need for the Malaysian economy to sustain GDP growth “by an average of 7 per cent (in real terms) annually over the next 30 years,” (Mohamad 1991, 7). In 2010, *Vision 2020* remained the backbone of Malaysia's nation building approach, as evidenced by former PM Najib's *New Economic Model*, a ten-year economic planning document constructed and implemented by Najib Razak's Administration. The New Economic Model mentioned the need for

Malaysia to reach “real growth rate of an average of 6.5% per annum over the 2011-2020 period,” to achieve the goals of *Vision 2020* (NEAC, 2010, 9). Within this, FC development is justified as supporting the betterment of citizens: the notion that financial empowerment of citizens could assist in the growth and stability of Malaysia’s economy plays an important role in its promotion (former finance minister, #13, 5 April 2016). However, such objectives were deemed problematic by one elite interviewee because it ignores citizens’ economic position:

You’ll be surprised how many people still do not have access to formal financial institutions. Especially in certain pockets of origin, for example Kelantan,⁵ (access to formal financial institution) is still low. [...] Why? *There is a lack of income, of course!* (Official at Economic Research Group K, #5, 11 December 2015, translated from Malay; words in brackets added for clarity; and emphasis added)

When FC development includes nation building objectives for the purposes of political legitimacy, it ignores the awkward point that many Malaysian citizens are unable to participate in even the most basic of financial activities because of their low incomes:

[It’s] premature. [...] if you want them to participate [in the stock market], *there must be savings*. Now where is the savings coming from? Savings can only come if you have good income. (Former Malaysian finance minister, #13, 5 April 2016; translated from Malay with original emphasis. Words in brackets added to assist sentence clarification.)

Attempts to promote FC for nation building in the face of entrenched income inequality and, at the lower end, low absolute incomes could further deepen inequality and disunity, not only along inter-ethnic lines, as had been the case in the past (Malaysian economist, #5, 11 December 2015), but also along inter-class and urban-rural divisions. This thus excludes low-

⁵ Kelantan is the poorest state in Malaysia.

income, rural citizens from many economic and financial opportunities regardless of how financially-informed and empowered they might be (official at EPF, #6, 14 December 2015).

To conclude, the story of political and financial elites' involvement in FC development is complex, going beyond the simple justification of inclusion. The effort to transform the financial system, or in this case, the stock market, into a democratic arena might not work by simply providing access and skills, when deeply-ingrained systematic income disparity that already existed in the country's history is ignored. Some elite interviewees were clearly aware of these disadvantaged groups, effectively excluded by contemporary FC initiatives, yet this had not been an obstacle to the promulgation of the policies, even while it inevitably limited their effectiveness. The next section considers such initiatives from the perspective of citizen investors.

4. Citizen Investors' Perspective

This section focuses on the analysis of interviews with citizen investors to explore the role they play in FC development. The demographic and investor characteristics of the citizen interviewees are summarised in Table 2.

[insert table 2 about here]

Although interviews were focused on exploring citizen investors' role in post-2009 FC development, they also provided some context on the outcomes of earlier Malaysian elites' FC policies. Out of the 30 interviewees, 28 had been *Bumiputeras*, specifically from the Malay sub-group, and it is notable that this is a group which historically has suffered from income and wealth inequalities. According to the Second Malaysia Plan (the second 5-year nation building plan released by the government since 1966) which contains the strategies of

the New Economic Policy, as per 1970 “[o]f all Malay households, 65% were in poverty compared to 26% for Chinese households. In the case of Indian and other households, 39% and 45% had incomes below the poverty line,” (MEPU, 1970, 5). In terms of wealth, of the 36.5% of Malaysian equity not held by British interests, there was a considerable gap of between the three main ethnic groups, with the Chinese holding 27.2% equity capital, followed by the Malays at 2.4% and Indians at 1.1% (MEPU, 1975, 6).

In terms of citizen investors’ roles in the more contemporary, post-2009 FC development, the findings demonstrate that while they are actively engaging in the programme, they appeared reluctant to recognise the connection between their investment behaviours and elites’ initiatives. This was first observed through interview questions which focused on citizen investors’ awareness of FC initiatives and their willingness to voluntarily participate in these initiatives. To do this, interviewees were first given information on current FC initiatives that are more publicly aimed at citizens. These included Bursa MKTPLC (an educational website on stock market investment), Securities Commission’s InvestSMRT (an educational website on stock market investment), investment classes provided by the Securities Commission and Bursa, and investment classes provided by the Federation of Investment Managers Malaysia. Afterwards, they were also given information on past initiatives, such as the usage of licensed intermediaries and shariah (Islamic) investment. Then they had been asked if they had participated in the initiatives or enquired more information on these initiatives.

Half of those interviewed admitted to being aware of various current and/or past FC initiatives, although this awareness rarely came from formal channels. These investors relied mostly on friends and families rather than official advertisements or promotions. Additionally, only two citizen investors had participated in more contemporary, post-2009 initiatives. Others cited lack of interest in formal initiatives or regarded them as unhelpful to

their investment and/or financial management needs. When asked if they felt at any point that elites' efforts could have influenced their decision to invest in the stock market, nearly 90% of interviewed citizen investors disagreed.

Citizen investors were also asked if they saw their active engagement with stock market activities as an expression of their responsibility as Malaysian citizens, that is, do they believe that by engaging in stock market investment, they are contributing to elites' nation building strategies? Only 13% of interviewees answered positively to this question, explicitly mentioning patriotism in their given answers:

Yes. I mean... it's nothing. That thing is something that is embedded. When I'm doing certain things, I'm always thinking about the benefit of the government—. No, *the benefit of the nation*. (Citizen Investor #25, 23 November 2016, some words translated from Malay, original emphasis)

Always, always! It always crosses my mind because everything has an effect and a cause. Investing is about cause and effect. The reason I invest is of course for financial and profitable security. Objective is to have financial security in the future and also to have gains in terms of my capital. But indirectly, I'm also helping the company that I'm investing in. Because now they have extra resources to build and expand their business. And that itself creates jobs for the economy. (Citizen Investor #27, 25 December 2016)

So far, I do want to help Malaysia too. I can't be helping other country's economies because this is my *tanah air*.⁶ Whatever happens, I live here, and *this is my country*. So, when I'm investing, I do look at whether the funds

⁶ Translation: *Tanah air* could be understood as "country," but a direct translation of the phrase is "soil and water," a reference to the land in which one belongs to. It is a very patriotic term and is used with nationalistic tendencies.

are related to Malaysia or not. (Citizen Investor #29, 23 December 2016,
translated from Malay and emphasis added)

The quotes above indicated that some citizen investors had considered the importance of nationalism and nation building when investing in the stock market. The quotes also illustrate that there are Malaysian citizens who invest in finances for reasons beyond their own individualistic economic benefits.

The majority of citizen investors interviewed, however, did not share this patriotic sentiment. More interesting, however, is that more than three-quarter of the interviewees not only expressed a lack of interest in supporting official nation building objectives, but several highlighted their *unwillingness* to help the country at all. These participants seemed to equate elites with government and country, suggesting that their hostility was more towards specific (political) elites rather than to Malaysia as a geographical entity. When asked to elaborate on their hostility, these citizen investors talked about recent political scandals and economic uncertainty, which have had a high profile in mass and social media in Malaysia (Vasagar, 2016). Moreover, the global economic downturn and an increase in the cost of living have weakened citizens' confidence in the incumbent Malaysian federal government during the time of the interviews.⁷ This statement could be supported by findings from the Edelman Trust Barometer Global Report (2018a) which showed that the average percentage of trust in the Malaysian government by Malaysian citizens have dropped significantly from 2013 (59%) to 2017 (37%). This drop of trust had been linked to issues around allegations of corruption in the government and the mismanagement of government funds (Edelman, 2018b).

⁷ It should be noted that the Najib Razak Administration had been since replaced with a second Mahathir Mohamad Administration as of May 2018.

Many interviewees cited this tumultuous political and economic background as inciting fear and uncertainty, affecting their decision-making in relation to personal financial security. This was evident in the management of their mandatory retirement savings plan in the government-owned Employees' Provident Fund (EPF). In Malaysia, private sector employees must participate in the retirement savings plan managed by the EPF. According to several citizen investors, their distrust of elites, especially those like the EPF seen as part of government, had influenced their decision to move their employment savings in the EPF into private unit trust schemes (unit trust funds are similar to mutual funds which are commonly found in the US or the UK, although their legal structure is slightly different):

The real reason I invested in [private] unit trusts is because [...] of the scandals and whatnot. I fear that if I were to leave all my money in my EPF, it would be dangerous. (Citizen Investor #28, 24 December 2016, word in brackets translated from Malay)

The private unit trust scheme is a reference to an EPF's private-fund-transfer scheme. The scheme is a collaborative effort by the institution with the Ministry of Finance and the private unit trust industry, which allows contributors (employees) to transfer a certain amount of their contribution to approved, private unit trust schemes (official at EPF, #6, 14 December 2015). Specifically, the scheme was developed to assist citizens in becoming more financially-independent by encouraging them to invest their employment savings in private-based unit trust schemes to provide better returns. As such, this scheme appeared to fit the motivations of post-2009 FC development, in providing greater citizen access to financial products, and in doing so encouraging financial autonomy. The hostility of some citizen investors towards elites is complex given that schemes such as the EPF's private-fund-transfer were organized by the same elites that citizen investors were sceptical about. This suggests that some citizens

might be unaware of how they are reinforcing elites' goals in FC development, despite adamantly wanting to resist formal elite initiatives.

To overcome their distrust of (especially political) elites, the interviews suggest that citizen investors take greater responsibility for their personal financial security by actively thinking about their financial futures. For example, many of them mentioned that they can no longer rely on the EPF to provide a comfortable and financially-secure retirement. A few said that when they are investing, they do so for "selfish" reasons rather than for the nation's benefits:

I'm just thinking about myself. [...] I think now the government is using our money to help themselves. [...] Actually I am afraid. How do I say this? I don't know if when I'm 60, my money will actually be there or not. I don't know if it'll still exist because right now all I know is that the government is using the money for rolling whatever--. Debt that they've made. (Citizen Investor #9, 5 October 2016, translated from Malay)

[About thinking of investments solely for personal benefits]: The financial markets are all corporate entities. They are out making--. Their only reason of existence is to make profits. And I'm helping them by investing in their companies. So I don't--. It doesn't seem like something patriotic or anything. I mean it's just how the system works. (Citizen Investor #3, 26 September 2016)

Our findings suggest that citizen investors are aware of the politically-inflected motivations behind FC and are actively contesting to responding to these motivations in a way that provides political legitimacy to specific political elites. Our findings also suggest that citizen investors are looking closer to their own networks to support their personal financial security management, partly in response to distrust of elites. Several interviewees indicated

unwillingness to support elite nation building goals, given poor behaviour by political elites. Instead, interviewees mentioned proximate social actors—family members, friends, and/or colleagues—who have been influential and supportive in encouraging citizen investors’ financial actions. For example:

[I started investing] mostly through friends’ opinions. A lot of them did unit trusts on top of working. So they told me a lot about it, saying that it is good to invest for a couple of years. (Citizen Investor #5, 9 October 2016, translated from Malay).

Citizen investors also mentioned the influence of licensed intermediaries—formal agents responsible for the promotion of stock market activities. About 45% of the citizen investors who claimed that they were influenced to invest by family members, friends or colleagues also stated that their influential family member(s), friend(s), or colleague(s) are licensed intermediaries. Citizen investors’ answers demonstrate that their financial practices have been influenced by a feeling of loyalty to their proximate social actors. They mentioned that they would usually select licensed intermediaries who were also related to them either via platonic or familial relationships, so that they could help them earn income in the form of brokerage fees or commissions (based on the number of new investors they attract into the stock market). It was apparent that supporting intermediaries in their proximate social circle had been more important than engaging with formal FC initiatives. For example, Citizen Investor #9 who had been quoted above as feeling afraid and distrustful over the government’s management of their personal finances had also answered that they were more interested in supporting their proximate social circle:

For unit trust, which started in 2008, I was more influenced by a friend who became a unit trust agent. I saw that they had just started becoming an agent, so I wanted to support them. I compared keeping my money in a simple savings account, or in government unit trust schemes. Private

unit trusts in comparison had a much better performance. So, I thought why not support his business and at the same time earn some income.

(Citizen Investor #9, 29 September 2016, translated from Malay)

To conclude this section, our findings demonstrate that citizen investors' roles in FC development are influenced by the (lack of) trust in elite-citizen relations. In a context of growing political hostility, citizen investors disregard anything that has to do with elites they distrust, choosing instead to look inwards and across their networks. Notwithstanding citizens' personal feelings towards the elites responsible for this programme and more importantly, in search for their personal financial security, citizen investors are changing their attitudes towards financial planning through stock market products. This has subsequently helped the objectives of the FC programme to be partly met.

In this complex relationship that citizen investors have with formal policies, it is also apparent that they take for granted the privilege they have (through their incomes and social circles) to be able to participate in FC development which is not open to many other Malaysian citizens. In doing so, this sustains the illusion of equality in FC discourse. When asked if they considered stock market investment to be an exclusive activity, citizens' answers were often similar to the formal language used to defend FC: that participation in the stock market is a right rather than a privilege, that should and could be democratically enjoyed across society.

5. Conclusion – Going Beyond Financial Citizenship

This article provides a critical case study that observes financialisation through the lens of postcolonial FC development specific to the Malaysian experience. In doing so, we were able to respond to calls for studies of postcolonial economic geography (Pollard et al., 2009) and non-Anglo-American financialisation (Christophers, 2012) and demonstrate not only that

economic and financial practices are far from being homogenous or universal, they are also driven by spatial and historical differences.

The case of Malaysia problematises the notion of FC, as the country's specific historical development has made the discourse more complex than the "simple binary coding of membership" in FC (Kear 2013, 936). Here, FC was not simply, as Kear puts it, an "ethical claim to hypothetical rights guaranteed by no one," (Kear, 2014, 107), it has also been an important and visible element of postcolonial nation building for political legitimacy, which, since the 1970s, has encouraged redistribution of wealth through the implementation of management funds. At the same time, the Malaysian case is far from being an example of an inclusive financial system in development as envisioned by FC proponents. In particular, its potential is obstructed by the ongoing inability of many Malaysian citizens to participate in even the most basic of financial activities, let alone complex ones such as stock market investment (Former Malaysian finance minister, #13, 5 April 2016).

When those who require rights (citizens) exercise their rights, it affects not only the environment in which they live in, but also the future of those who grant these rights (elites) (Marshall, 1950). Similarly, the nation building goal of Malaysian FC development means that when financial citizens exercise their "rights to finance" (by acting in the manner expected of them, such as actively investing in the stock market and planning for their financial futures), they impact the aspirations of political and financial elites (in this case, nation building and political legitimacy). In doing so citizens are responsabilised as fundamental contributors to the sustainability and growth of the nation as well as for their own personal development. Through their actions, financialised citizens play an active role in the reinforcement of FC and the exacerbation of its exclusionary effects. Citizen investors reveal the kinds of behaviour envisioned by FC proponents, despite doing so to protect their personal financial security in the face of political uncertainty rather than to benefit the

country. Nevertheless, in taking the initiative to become more financially autonomous, and doing so by consuming stock market products, they are already becoming the type of financialised citizens that Malaysian elites say they want.

Our study contributes to the wider literature on FC and financialisation by demonstrating the importance of providing a nuanced analysis of elite-citizen relations from a politically-inflected angle. From an elite perspective, the aim to garner political legitimacy could drive FC development in a specific manner. In Malaysia, the background of postcolonial ethnic tension that jeopardised the positions of the then incumbent ruling party drives FC development to be implemented for nation building and more specifically, for political legitimacy. This helps us to understand how the agency of citizens in FC development, which is largely influenced by the notion of trust, shapes the way citizens relate to elites and thus influencing the efficacy of FC implementation. Observing citizens in politically-inflected FC development adds to existing literature as it shows that their behaviours are strategic and impactful to FC development, despite it being in support or in resistance to formal FC aspirations.

Notes

Since 2018, the Malaysian polity has changed dramatically with the re-election of Dr. Mahathir as Prime Minister, replacing Najib Razak. These political changes raise the question of whether FC will continue to be used as part of nation building, especially since citizens have been mobilised in a crowdfunding donation effort to assist in strengthening the government's debt that was left by the Najib Razak Administration. The crowdfunding platform, called Tabung Harapan (Hope Fund) has collected more than RM195 million (approximately £36 million) from Malaysian citizens since its launch on 30 May 2018 (Kamal, 2018).

References

Abdul Khalid, M. (2015) *The Colour of Inequality*. MPH Publications.

- Aglietta, M. (2000) Shareholder value and corporate governance: some tricky questions. *Economy and Society*, 29: 146–159.
- Aglietta, M. (1998) Capitalism at the turn of the century: regulation theory and the challenge of social change. *New Left Review*, 232: 41–90.
- Aitken, R. (2007) *Performing capital: Toward a cultural economy of popular and global finance*. Springer.
- Alatas, S.H. (2010) *The Myth of the Lazy Native: A Study of the Image of the Malays, Filipinos, and Javanese from the 16th to the 20th Century and Its Function in the Ideology of Colonial Capitalism*, Reprint Edn., Routledge.
- Appleyard, L., Rowlingson, K., Gardner, J. (2016) The variegated financialization of sub-prime credit markets. *Competition & Change*, 20: 297–313.
- Arrighi, G. (1994) *The Long Twentieth Century: Money, Power and the Origins of Our Times*. Verso, New York.
- Arthur, C. (2012) Financial Literacy Education for Citizens: what kind of responsibility, equality and engagement?. *Citizenship, Social and Economics Education*, 11: 163–176.
- Bank Negara Malaysia (BNM) (2001) *Financial Sector Masterplan 2001*. Bank Negara Malaysia, Kuala Lumpur, Malaysia.
- Bergeron, S. (2001) Political economy discourses of globalization and feminist politics. *Signs*, 26: 983–1006.
- Bidin, A. (2009) Law reform and corporate governance in Malaysia. In: Gillespie, J., Peerenboom, R. (Eds.), *Regulation in Asia: Pushing Back on Globalization*, 296–318. Routledge, Oxon.
- Boyer, R. (2000) Is a Finance-led growth regime a viable alternative to Fordism? A preliminary analysis. *Economy and Society*, 29: 111–145.
- Bursa Malaysia (2004) *Bursa Malaysia Annual Report 2004*. Bursa Malaysia.
- Christophers, B. (2016) Geographies of finance III: Regulation and 'after-crisis financial futures. *Progress in Human Geography*, 40: 138–148.
- Christophers, B. (2015) The limits to financialization. *Dialogues in Human Geography*, 5: 183–200.
- Christophers, B. (2012) Anaemic Geographies of Financialisation. *New Political Economy*, 17: 271–291.
- Chua, B.H. (2010) Disrupting Hegemonic Liberalism in East Asia. *boundary 2*, 37: 199–216.

- Coppock, S. (2013) The everyday geographies of financialisation: impacts, subjects and alternatives. *Cambridge Journal of Regions, Economy and Society*, 6: 479–500.
- Crenshaw, K. (1991) Mapping the margins: Identity politics, intersectionality, and violence against women. *Stanford Law Review*, 43(6): 1241-1299.
- Davis, G.F., Kim, S. (2015) Financialization of the Economy. *Annual Review of Sociology*, 41: 203-221.
- Davis, A., Williams, K. (2017) Introduction: Elites and Power after Financialization. *Theory, Culture & Society*, 34: 3–26.
- Department of Statistics Malaysia (DoSM) (2017). *Report of Household Income and Basic Amenities Survey 2016*. Available online at: https://www.dosm.gov.my/v1/index.php?r=column/cthemByCat&cat=120&bul_id=RUZ5REwveU1ra1hGL21JWVIPRmU2Zz09&menu_id=amVoWU54UT10a21NWm dhMjFMMWcyZz09 [Accessed 11 February 2019].
- Dev, S.M. (2006) Financial inclusion: Issues and challenges. *Economic and Political Weekly*, 4310–4313.
- Duménil, G., Lévy, D. (2005) Costs and benefits of neoliberalism: a class analysis. In: Epstein, G.A. (Ed.), *Financialization and the World Economy*, 17–45. Edward Elgar Publishing.
- Dymski, G., Li, W. (2003) The macrostructure of financial exclusion: Mainstream, ethnic and fringe banks in money space. *Espace-Populations-Societes*, 181–199.
- Dymski, G.A. (2005) Financial globalization, social exclusion and financial crisis. *International Review of Applied Economics*, 19: 439–457.
- Edelman (2018a) *2018 Edelman Trust Barometer Global Report*, Edelman Trust Barometer.
- Edelman (2018b) *Trust, Asia Pacific, Middle East and Africa*. Edelman Trust Barometer.
- Elder, L. (2017) Gendered Accounts of Expertise Within Islamic Finance and Financialization in Malaysia, in: Daniels, T. (Ed.), *Sharia Dynamics. Contemporary Anthropology of Religion*. Palgrave Macmillan, 171–201.
- Elias, J., Roberts, A. (2016) Feminist Global Political Economies of the Everyday: From Bananas to Bingo. *Globalizations*, 13: 787–800.
- Epstein, G.A. (Ed.) (2005) *Financialization and the World Economy*. Edward Elgar Publishing.
- Erdmann, G., Engel, U. (2007) Neopatrimonialism Reconsidered: Critical Review and Elaboration of an Elusive Concept. *Commonwealth & Comparative Politics*, 45: 95–119.

- Ertürk, I., Froud, J., Johal, S., Leaver, A., Williams, K. (2007) The democratization of finance? Promises, outcomes and conditions. *Review of International Political Economy*, 14: 553–575.
- Foucault, M. (2012) *Discipline and punish: The birth of the prison*. Vintage (Original work published 1975), New York.
- Foucault, M. (1988) Technologies of the self. In *Technologies of the self: A seminar with Michel Foucault*, 16-49.
- Foucault, M. (1982) The subject and power. *Critical Inquiry*, 8: 777–795.
- French, S., Leyshon, A., Wainwright, T. (2011) Financializing space, spacing financialization. *Progress in Human Geography*, 35: 798–819.
- Froud, J., Johal, S., Leaver, A., Williams, K. (2006) *Financialization and Strategy: Narratives and Numbers*. Routledge, Oxon.
- Froud, J., Johal, S., Williams, K. (2002) Financialisation and the coupon pool. *Capital & Class*, 26: 119–151.
- Furnivall, J.S. (1939) *Netherlands India: A Study of Plural Economy*. Reprint, Macmillan, New York, 1944.
- Gomez, E.T., Jomo, K.S. (1997) *Malaysia's Political Economy: Politics, Patronage and Profits*. Cambridge University Press.
- Greenspan, A. (2002) Financial literacy: A tool for economic progress. *The Futurist*, 36: 37–41.
- Hall, S. (2012) Geographies of money and finance II: Financialization and financial subjects. *Progress in Human Geography*, 36: 403–411.
- Harker, C. (2017) Debt space: Topologies, ecologies and Ramallah, Palestine. *Environment and Planning D: Society and Space*, 35: 600–619.
- Harker, C., Sayyad, D., Shebeitah, R. (2018) The gender of debt and space: Notes from Ramallah-Al Bireh, Palestine. *Geoforum*.
- Hefner, R.W. (2001) Introduction: Multiculturalism and Citizenship in Malaysia, Singapore, and Indonesia, in: Hefner, R.W. (Ed.), *The Politics of Multiculturalism: Pluralism and Citizenship in Malaysia, Singapore and Indonesia*. University of Hawai'i Press, 1–51.
- Ho, K. (2009) *Liquidated: An Ethnography of Wall Street*. Duke University Press Books.
- Huntington, S.P. (1968) *Political Order in Changing Societies*. Yale University Press, New Haven.

- James, D. (2014) *Money from Nothing: Indebtedness and Aspiration in South Africa*. Stanford University Press.
- Jamil, I., Aminuzzaman, S.M., Haque, S.T.M. (Eds.), (2015) *Governance in South, Southeast, and East Asia: Trends, Issues and Challenges*, Public Administration, Governance and Globalization. Springer.
- Jesudason, J. (1989) *Ethnicity and the Economy: The State, Chinese Business, and Multinationals in Malaysia*. Oxford University Press, Singapore.
- Jomo, K.S. (2003) Capital Flows Into and From Malaysia. In Griffith-Jones, S., Gottschalk, R., Cailloux, J. (Eds.), *International Capital Flows in Calm and Turbulent Times: The Need for New International Architecture*, 107-161. The University of Michigan Press.
- Jomo, K.S., Tan, W.S. (2003) *Privatization and Renationalization in Malaysia: A Survey*. Working Paper, University of Malaya, Kuala Lumpur, Malaysia.
- Kamal, S.M. (2018) Tabung Harapan collection now at RM195m. Yahoo! News. Available online at: <https://sg.news.yahoo.com/tabung-harapan-collection-now-rm195m-081652321.html> [Accessed 10 October 2018].
- Kaplan, E., Rodrik, D. (2001) *Did the Malaysian capital controls work?* (No. w8142), National Bureau of Economic Research Cambridge.
- Kear, M. (2014) The scale effects of financialization: The Fair Credit Reporting Act and the production of financial space and subjects. *Geoforum*, 57: 99–109.
- Kear, M. (2013) Governing *Homo Subprimicus*: Beyond Financial Citizenship, Exclusion, and Rights. *Antipode*, 45: 926–946.
- Khoo, B.T. (2005) Capital Controls and Reformasi: Crises and Contestations over Governance. In: Öjendal, J., Kok-Wah (Eds.), *Southeast Asian Responses to Globalization: Restructuring Governance and Deepening Democracy*, 83-109. NIAS Press.
- Koid, S.L. (2010) Session IV: Financial Literacy Strategies Malaysian Experience.
- Krippner, G.R. (2011) *Capitalizing On Crisis: The Political Origins of the Rise of Finance*. Harvard University Press.
- Krippner, G.R. (2005) The Financialization of the American Economy. *Socio-Economic Review*, 3: 173–208.
- Kymlicka, W., Norman, W. (1994) Return of the citizen: A survey of recent work on citizenship theory. *Ethics*, 104: 352–381.

- Lai, K.P.Y. (2018) Financialisation of everyday life. In: Clark, G.L., Feldmann, M., Gertler, M.S., Wojcik, D. (Eds.), *The New Oxford Handbook of Economic Geography*, 611–628. Oxford University Press, Oxford.
- Lai, K.P.Y. (2017) Unpacking financial subjectivities: Intimacies, governance and socioeconomic practices in financialisation. *Environment and Planning D: Society and Space*, 35: 913–932.
- Lai, K.P.Y. (2013) The Lehman Minibonds crisis and financialisation of investor subjects in Singapore: The Lehman Minibonds crisis. *Area*, 45: 273–282.
- Lai, K.P.Y., Samers, M. (2017) Conceptualizing Islamic banking and finance: A comparison of its development and governance in Malaysia and Singapore. *The Pacific Review*, 30(3): 405-424.
- Lai, K.P.Y., Tan, C.H. (2015) “Neighbours First, Bankers Second”: Mobilising financial citizenship in Singapore. *Geoforum*, 64: 65–77.
- Langley, P. (2008a) *The Everyday Life of Global Finance*. Oxford University Press, New York.
- Langley, P. (2008b) Sub-prime mortgage lending: a cultural economy. *Economy and Society*, 37: 469–494.
- Langley, P. (2007) Uncertain Subjects of Anglo-American Financialization. *Cultural Critique*, 65: 67–91.
- Lazonick, W., O’sullivan, M. (2000) Maximizing shareholder value: a new ideology for corporate governance. *Economy and Society*, 29: 13–35.
- Leyshon, A., Thrift, N. (1995) Geographies of Financial Exclusion: Financial Abandonment in Britain and the United States. *Transactions of the Institute of British Geographers*, 20: 312–340.
- Malaysian Economic Planning Unit (MEPU) (1989) *Sixth Malaysia Plan (1990-1995)*. Percetakan Nasional Malaysia Berhad, Kuala Lumpur.
- Malaysian Economic Planning Unit (MEPU) (1975) *Third Malaysia Plan (1976-1980)*. Percetakan Nasional Malaysia Berhad, Kuala Lumpur.
- Malaysian Economic Planning Unit (MEPU) (1970) *Second Malaysia Plan (1971-1975)*. Percetakan Nasional Malaysia Berhad, Kuala Lumpur.
- Mandel, M. (1996) *The High-Risk Society*. Crown Business.
- Marshall, T.H. (1950) *Citizenship and Social Class and Other Essays*, Cambridge University Press, Cambridge.
- Martin, R. (2002) *Financialization of Daily Life*. Temple University Press.

- Martin, R. (2009) The twin towers of financialization: Entanglements of political and cultural economies. *The Global South*, pp.108-125.
- Mills, C.W. (1956) *The Power Elite*. Oxford University Press, Oxford.
- Milner, A. (2010) *The Malays (The Peoples of South-East Asia and the Pacific)*. Wiley-Blackwell.
- Mohamad, M. (1992) A United Malaysian Nation by the Year 2020. Available online at: <http://www.pmo.gov.my/ucapan/?m=p&p=mahathir&id=1653> [Accessed 27 November 2017].
- Mohamad, M. (1991) Malaysia: The Way Forward (Vision2020). Available online at: <http://unpan1.un.org/intradoc/groups/public/documents/apcity/unpan003223.pdf> [Accessed 21 May 2016].
- Müller, D.M. (2017) From Consultancy to Critique: The “Success Story” of Globalized *Zakat* Management in Malaysia and its Normative Ambiguities. *Globalizations*, 14: 81–98.
- National Economic Advisory Council (NEAC) (2010) New Economic Model for Malaysia Part 1. Percetakan Nasional Malaysia Berhad, Kuala Lumpur.
- Parkinson, A. (2014) Financialization and Financial Labor: Ethnographies of Finance and “Ethnographic Reflections” on British Retail Stockbroking. In: Wood, D.C. (Ed.), *Production, Consumption, Business and the Economy: Structural Ideals and Moral Realities (Research in Economic Anthropology, Volume 34)*, 157-185. Emerald Group Publishing Limited.
- Permodalan Nasional Berhad (2015) Permodalan Nasional Berhad Corporate Profile. Available online at: <http://www.pnb.com.my/pdf/Corp-Profile-PNB-mini.pdf> [Accessed 1 August 2017].
- Pike, A., Pollard, J. (2010). Economic geographies of financialization. *Economic Geography*, 86: 29–51.
- Pimlott-Wilson, H., Hall, S. (2017) Everyday Experiences of Economic Change: Repositioning Geographies of Children, Youth and Families. *Area*, 49: 258–265.
- Pollard, J. (2013) Gendering capital: Financial crisis, financialization and (an agenda for) economic geography. *Progress in Human Geography*, 37(3): 403-423.
- Pollard, J., McEwan, C., Laurie, N., Stenning, A. (2009) Economic geography under postcolonial scrutiny. *Transactions of the Institute of British Geographers*, 34: 137–142.

- Pollard, J., Samers, M. (2007) Islamic banking and finance: postcolonial political economy and the decentring of economic geography. *Transactions of the Institute of British Geographers*, 32(3): 313-330.
- Rethel, L. (2016) Islamic Finance in Malaysia: Global Ambitions, Local Realities, in: Elias, J., Rethel, L. (Eds.), *The Everyday Political Economy of Southeast Asia*, 116-136. Cambridge University Press.
- Rudnyckyj, D. (2017) Subjects of Debt: Financial Subjectification and Collaborative Risk in Malaysian Islamic Finance: Subjects of Debt. *American Anthropologist*, 119: 269–283.
- Securities Commission of Malaysia (SCM) (2001) *Capital Market Masterplan*. Securities Commission, Kuala Lumpur, Malaysia.
- Sulong, W. (2014) *Notes to the Prime Minister - The Untold Story of How Malaysia Beat the Currency Speculators*. MPH Publications, Petaling Jaya.
- Swyngedouw, E. (2004) Globalisation or “glocalisation”? Networks, territories and rescaling. *Cambridge Review of International Affairs*, 17: 25–48.
- Vasagar, J. (2016) Malaysian rally spurs widening crackdown on protesters. *Financial Times*, 20 November. Available online at: <https://www.ft.com/content/ae31a14a-ae77-11e6-9c37-5787335499a0> [Accessed 26 June 2017].
- Wain, B. (2012) *Malaysian Maverick: Mahathir Mohamad in Turbulent Times*, 2nd edn. Palgrave Macmillan.
- Wainwright, T., Kibler, E. (2014) Beyond financialization: older entrepreneurship and retirement planning. *Journal of Economic Geography*, 14: 849–864.
- Wedel, J.R. (2017) From Power Elites to Influence Elites: Resetting Elite Studies for the 21st Century. *Theory, Culture & Society*, 34: 153–178.
- White, N.J. (2003) The Survival, Revival and Decline of British Economic Influence in Malaysia, 1957-1970. *Twentieth Century British History*, 14: 222–242.
- Williams, T. (2007) Empowerment of whom and for what? Financial literacy education and the new regulation of consumer financial services. *Law & Policy*, 29: 226–256.
- Wolch, J., Dear, M. (Eds.) (2014) *The power of geography, (RLE social & cultural geography): How territory shapes social life*. Routledge.
- Wong, K.A. (1988) Role of Singapore and Malaysian Stock Exchange, in: *Handbook of Singapore-Malaysian Corporate Finance*. Butterworth & Co (ASIA).
- Yakcop, N.M. (2002) Islamic Financial Market Development: The Malaysian Strategy.

Table 1. List of Elite Interviewees

Elites' Positions	Official Role (Indicator)	Interview Date	Status
Political	Former finance minister (#7)	17 December 2015	No longer active politically. In office in mid-2000s for one term. Currently acting as a technocratic elite.
	Former finance minister (#13)	5 April 2016	No longer active politically. In office for two terms, in the 1980s and early 2000s. Before and after his appointment, he continued to be a prominent business elite.
Financial	Official at Regulator M, a financial market regulator (#1)	5 August 2015	In office
	Official at Regulator M, a financial market regulator (#2)	5 August 2015	In office
	Official at Market M (#3)	28 August 2015	In office
	Official at Market M (#4)	28 August 2015	In office
	Official at Economic Research Group K (#5)	11 December 2015	In office
	Official at EPF ¹ (#6)	14 December 2015	In office
	Official at Malaysian Ministry of Finance (#8)	23 December 2015	In office
Non-political or -financial elites ²	Official at Bank Negara Malaysia (#9)	23 March 2016	In office
	Official at Investment Bank H (#10)	31 March 2016	In office
	Official at International Bank I (#11)	31 March 2016	In office
	CEO of Wealth Management Firm C (#12)	5 April 2016	In office

¹ Employees' Provident Fund

² Non-political or -financial elites are elites who are not necessarily involved in the development of the financial system in Malaysia. However, their experiences and insights of the financial industry were useful for the analysis conducted in this article.

Table 2. Demography and Characteristics of Citizen Investors

	Frequency	Percent
Ethnicity		
Bumiputera – Malays	28	93.4
Chinese	1	3.3
Indian	1	3.3
	30	100.0
Current experience investing in the stock market¹		
Mostly investing directly	4	13.3
Mostly investing indirectly	24	80.0
No longer investing	2	6.7
	30	100.0
Experience in types of stock market investment channels		
Have invested in both stock market investment channels (directly AND indirectly)	13	43.3
Have invested in only one type of stock market investment channels (directly OR indirectly)	17	56.7
	30	100.0
Main influence		
Private investment classes	1	3.3
Self-research	5	16.7
Friends	7	23.3
Family/spouse	5	16.7
Licensed intermediaries	2	6.7
Friends/family who are licensed intermediaries ²	10	33.3
	30	100.0

¹ Direct investment refers to the direct purchase and selling of stocks through a stock market platform while indirect investment refers to participation in the stock market through the purchase of unit trust schemes which are professionally managed.

² Licensed intermediaries are actors who play a formal role at intermediating investors with the stock market. Remisiers are the well-known term in Malaysia for licensed intermediaries in direct stock market selling and purchasing; while in the unit trust industry, they are recognised as unit trust consultants.